



ENERGY ASSURANCE DAILY

Thursday Evening, February 02, 2017

Major Developments

Update: Enterprise's 400,000 b/d Seaway Pipeline to Restart by February 7 after Crude Oil Leak in Texas January 30

Enterprise Products Partners' legacy Seaway crude oil pipeline remained shut on Thursday as crews continued making progress on repairing the 30-inch diameter pipeline that was struck by a third party contractor near Trenton, Texas on January 30, which resulted in a crude oil leak of unknown volume. Barring any unforeseen delays, service is expected to resume on or before Tuesday, February 7, according to Seaway Pipeline Company LLC, a joint venture between Enterprise, the pipeline's operator, and Enbridge, Inc. Remediation efforts to remove the impacted soil were ongoing and Enterprise said an investigation into the incident was ongoing. The Seaway Pipeline System is comprised of two 30-inch pipelines—a 400,000 b/d legacy line and a 450,000 b/d twin line—that both ship crude oil from the Cushing, Oklahoma storage hub to the Freeport, Texas area where a terminal and distribution network serves refineries in the Greater Houston area.

<http://seawaypipeline.com/news/>

Electricity

PNM Restores Power to 20,000 Customers in New Mexico February 2; Cause under Investigation

Public Service Co. of New Mexico (PNM) reported at least 20,000 customers were without power in Albuquerque and Santa Fe, New Mexico around 3:30 a.m. EST, Thursday. PNM said it was investigating the cause of the outage, which affected five substations in the Albuquerque area, along with two substations in Santa Fe. PNM said power was restored to all affected customers by 7:30 a.m. EST, Thursday.

http://www.santafenewmexican.com/news/local_news/pnm-restores-power-after-overnight-outage/article_82df9838-e94b-11e6-b5e0-27a47ab50b20.html

<https://twitter.com/pnmtalk>

<https://www.facebook.com/PNMelectric/posts/10154993780391018>

<https://www.pnm.com/search-an-outage>

AES's 175 MW Redondo Gas-fired Unit 6 in California Shut by February 1

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201702011515.html>

Petroleum

Update: PES Restarts Light Ends Unit at Its 335,000 b/d Philadelphia, Pennsylvania Refinery February 1 after Unexpected Shutdown – Source

Philadelphia Energy Solutions (PES) on Wednesday began restarting the light ends unit in the Point Breeze section of its Philadelphia, Pennsylvania refinery complex as the company emerges from an unexpected shutdown that began in December, according to a source. Once the light ends unit is restarted, other units that provide feedstock will resume full run rates, the source said. A 44,000 b/d reformer and a unifiner are expected to restart next week, the source said.

Reuters, 16:00 February 1, 2017

CVR Energy Reports Emissions, Malfunction at Its 70,000 b/d Wynnewood, Oklahoma Refinery January 26 – 29

CVR Energy reported hydrogen sulfide emissions at its Wynnewood, Oklahoma refinery on January 26, 27, and 29, according to a filing with the Oklahoma Department of Environmental Quality made public on Wednesday. CVR also reported a malfunction at the refinery on January 26, according to the filing. Reuters, 17:27 February 1, 2017

Phillips 66 Reports Compressors Restarted after Brief Shutdown at Its 247,000 b/d Sweeny, Texas Refinery February 2

Phillips 66 reported two unit 26.1 compressors were shut and then promptly restarted at its Sweeny, Texas refinery on Thursday. Phillips 66 also reported emissions from the coker flare, old alkylation flare, unit 26.1, and unit 26.2. Reuters, 13:20 February 2, 2017

Kinder Morgan Files Temporary Embargo on Wink Pipeline Interconnection in Texas February 1 – FERC

Kinder Morgan filed a temporary embargo effective February 1 relating to movements from the Centurion Pipeline-Kinder Morgan Wink Pipeline interconnection in Winkler County, Texas to Kinder Morgan's Jackrabbit Station due to unexpected delays with project completion. Kinder Morgan currently anticipates completion will occur around February 24. The 145,000 b/d, 450-mile Wink Pipeline consists of three mainline sections, two gathering systems, and numerous truck delivery stations. The system allows Kinder Morgan CO₂ to better manage crude oil deliveries from its oil field interests in West Texas. Kinder Morgan CO₂ has entered into a long-term throughput agreement to transport crude oil from the SACROC unit in Scurry County, Texas to a refinery in El Paso, Texas. The SACROC unit is one of the largest and oldest oil fields in the United States utilizing carbon dioxide flooding technology to produce approximately 29,300 b/d of oil and 20,900 b/d of natural gas liquids in 2016.

<http://www.kindermorgan.com/business/co2/tariffs.aspx>

<http://www.kindermorgan.com/pages/business/co2/pipelines/wink.aspx>

<http://www.kindermorgan.com/pages/business/co2/eor/sacroc.aspx>

Reuters, 17:12 February 1, 2017

CNRL Reports Production at Its Horizon Oil Sands Project in Alberta Increases to 195,000 b/d in January

Canadian Natural Resources Limited (CNRL) on Thursday reported its Horizon Oil Sands project near Fort McMurray, Alberta averaged 195,000 b/d of Synthetic Crude Oil (SCO) production in January, up from 184,000 b/d in December. CNRL said it was continuing to evaluate an opportunity to debottleneck the Horizon fractionation tower and potentially increase production by an additional 5,000 b/d to 15,000 b/d to coincide with the turnaround in the third quarter of 2017. A final decision to proceed is expected in the second quarter of 2017. In addition, the Horizon Phase 3 expansion, which is targeted to add 80,000 b/d of SCO production, is on schedule to start up in the fourth quarter of 2017.

http://www.cnrl.com/upload/media_element/1068/02/0202_horizon-update.pdf

NEB Reports Oil Spill at Tundra Energy's Ingoldsby Terminal in Saskatchewan January 31

Canada's National Energy Board (NEB) on Wednesday said it was responding to a release of crude oil at Tundra Energy Marketing Ltd.'s Ingoldsby Terminal near Storthoaks, Saskatchewan. Tundra reported a release of 5 cubic meters (about 1,320 gallons) to the NEB on Tuesday. There were no injuries, fire, or evacuations and the government of Saskatchewan and the Transportation Safety Board have been notified of the incident. The NEB said it will oversee the cleanup efforts and an investigation in to the cause has been launched. On January 20, another pipeline owned by Tundra Energy spilled 52,834 gallons of oil near Stoughton, Saskatchewan.

<https://www.neb-one.gc.ca/bts/nws/nr/2017/nr07-gc-ca-eng.html>

Reuters, 9:31 February 2, 2017

Natural Gas

ExxonMobil Reports Unit Shut at Its 65 MMcf/d Dollarhide Gas Plant in Texas February 1

ExxonMobil reported the wauk-3 unit went down due to a local emergency shut down. The unit would not restart due to a bad fuse and an electrical short in the panel. The filing said the fuse was replaced in order to restart the unit, and that the operator called a field specialist to shut in wells in order to minimize emissions.

<http://www2.tceq.texas.gov/oce/eei/index.cfm?fuseaction=main.getDetails&target=251659>

Williams Partners Expands Pipeline Capacity to Deliver Natural Gas to Cheniere's LNG Export Facility at Sabine Pass in Louisiana February 1

Williams Partners L.P. on Wednesday announced it successfully placed into service its Gulf Trace project, a 1.2 Bcf/d expansion of the Transco pipeline system to serve the Cheniere Energy Partners, L.P. Sabine Pass Liquefaction export terminal in Cameron Parish, Louisiana. The Gulf Trace project allows Transco's production area mainline and southwest Louisiana lateral systems to flow gas bi-directionally from Station 65 in St. Helena Parish to Cameron Parish, Louisiana. Cheniere has subscribed to all the firm capacity for the project. Transco, a wholly owned subsidiary of Williams Partners, delivers natural gas to customers through its 10,200-mile pipeline network whose mainline extends nearly 1,800 miles between South Texas and New York City.

<http://investor.williams.com/press-release/williams/williams-partners-expands-pipeline-capacity-deliver-natural-gas-chenieres-lng>

Other News

Nothing to report.

International News

Russia, Azerbaijan Oil Output Down in January after OPEC Agreement

Russia and Azerbaijan both cut oil production in January by 100,000 b/d and 35,000 b/d, respectively, in accordance with the Organization of the Petroleum Exporting Countries' (OPEC) decision to cut production by a combined 1.8 million b/d in the first half of 2017. Several non-member countries, including Russia and Azerbaijan, also agreed to cut output as part of the December 10 agreement. Russia pledged to reduce its production by 300,000 b/d during the first half of 2017.

Reuters, 7:22 February 2, 2016

Reuters, 4:03 February 2, 2017

Energy Prices

| U.S. Oil and Gas Prices | | | |
|--|-------|----------|----------|
| February 2, 2017 | | | |
| | Today | Week Ago | Year Ago |
| CRUDE OIL West Texas Intermediate U.S. \$/Barrel | 53.50 | 53.14 | 29.85 |
| NATURAL GAS Henry Hub \$/Million Btu | 3.12 | 3.25 | 2.18 |

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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